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ABSTRACT

Differences between the earnings of men and women suggest that women are being paid less for doing the same job. Factors that attribute to the wage differences are (1) women are concentrated in those occupations which are less skilled and in which wages are relatively low, (2) women working on full-time schedules tend to work less overtime than men, (3) although women are as well educated as their male counterparts in terms of median years of schooling completed, there are differences in the kinds of education, training, and counseling they receive, which directs them into traditional and low-paying jobs, and (4) women on the average have fewer years of worklife experience than men. Studies have shown, however, that even after adjusting for some of these and other factors such as age, region, and industrial concentration, much of the male-female earnings differential remains unexplained representing a maximum measure of discrimination. Discussion of wage differences is covered in the topics (1) Occupational Status, (2) Educational Attainment, (3) Work Experience, (4) Overtime Work, and (5) Differentials by Race. Eight tables, covering half the document, show different comparative aspects of male and female earnings. (WL)

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The Earnings Gap Between Women and Men

U.S. Department of Labor
Employment Standards Administration
Women's Bureau
1976

U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
NATIONAL INSTITUTE OF EDUCATION

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THE EARNINGS GAP BETWEEN WOMEN AND MEN

Women who worked at year-round full-time 1/ jobs in 1974 earned only 57 cents for every dollar earned by men. (Table 1, column 4.) In fact, men's median weekly earnings exceeded women's by about $97 2/ and women had to work nearly 9 days to gross the same earnings men grossed in 5 days.

The earnings differential was wider in 1974 than it was 19 years earlier. In 1974 the $11,835 earned by men was 75 percent more than the $6,772 earned by women (column 5). In 1955 men's earnings exceeded women's by 56 percent--substantially less. When the absolute difference between the earnings of men and women over the 19-year period is expressed in constant dollar terms, to take into account the deflated purchasing power of the dollar, the disparity is even more evident. The difference increased more than 79 percent--from $1,911 in 1955 to $3,433 in 1974 (column 6).

The widening male-female differential is a contrast to the gains women have made in employment in recent years. Two primary factors have contributed to the widening gap. First, despite the fact that increasing numbers of women are securing higher level and better paying positions, there is still a predominance of women in lower status occupations of a traditional nature which provide limited opportunity for advancement. Second, the dynamic rise in women's labor force participation has resulted in a larger proportion of women who are in or near the entry level.

The labor force participation rate of women (the proportion of all women 16 years of age and over who are in the labor force) has steadily increased during the post-World War II era; over the past 25 years it has risen from 33.9 to 46.3 percent. In 1950 women accounted for 29.6 percent of the civilian labor force; in 1975 they made up about 40 percent of the work force. Many of the new entrants as well as the reentrants to the labor force must often accept relatively low-paying jobs which tend to pull down their median earnings.

Women are clearly overrepresented among those workers whose earnings are low. They are 3.7 times as likely as men to be earning between $3,000 and $4,999, and 3 times as likely to be within the $5,000 to $6,999 earnings range. (See table 2, column 5). Women are much less likely than men to be earning $10,000 to $14,999 and $15,000 and over.

Despite the fact that women were 32 percent of all year-round full-time earners in 1974, they accounted for 63 percent of workers earning between $3,000 and $4,999; they made up 58 percent of those earning $5,000 to $6,999 (column 6). Women accounted for only 5 percent of all year-round full-time workers earning $15,000 and over. Fifty-three percent of women yet only 18 percent of men earned less than $7,000; 82 percent of women but only 38 percent of men earned less than $10,000 (columns 7 and 8).

1/ Worked 50 to 52 weeks, 35 hours or more a week.

2/ The $11,835 earned by men minus $6,772 earned by women equals $5,063. This amount divided by 52 weeks equals $97.37.

These differences between the earnings of men and women suggest that women are being paid less for doing the same job. Undoubtedly this is true in some instances, but other factors are also significant. First, women are concentrated in those occupations which are less skilled and in which wages are relatively low. Second, women working on full-time schedules tend to work less overtime than men. Third, although women are as well educated as their male counterparts in terms of median years of schooling completed, there are differences in the kinds of education, training, and counseling they receive, which directs them into traditional and low-paying jobs. Fourth, women on the average have fewer years of worklife experience than men. Studies have shown, however, that even after adjusting for some of these and other factors such as age, region, and industrial concentration, much of the male-female earnings differential remains unexplained--representing a maximum measure of discrimination.

Occupational Status

Despite recent changes in the structure of the labor force, and women's increasing attachment to their jobs, historical patterns concerning "men's jobs" and "women's jobs" still persist to a large degree. Although this pattern has become less rigid in recent years, such sex stereotyping still seems to restrict or discourage women from entering many higher paying, traditionally male occupations. Of prime importance, then, in explaining the earnings differential is the concentration of women in relatively low-paying occupations and in lower status positions within even the higher paid major occupation groups.

In 1974 the earnings gap was largest among sales workers, where men were more often in high-paying commissioned, nonretail jobs while women worked primarily in retail trade. Men's earnings exceeded women's by 142 percent. (See table 3.) The earnings differential was smallest among nonfarm laborers (38 percent). Among professional and technical workers, men earned 55 percent more than women. Here, doctors, lawyers, judges, engineers, college educators, or architects were likely to be men, while noncollege teachers, nurses, librarians, dietitians, and health technologists were usually women.

When a comparison is made of the salaries of fully employed women in the same highly skilled, detailed occupations, the gap narrows but does not disappear. The median salaries of women scientists in 1970 were from $1,700 to $5,100 less than those of men in the same fields. The gap was greatest in chemistry, where women earned a median salary of only $10,500 as compared with $15,600 for men. (See table 4.)

Educational Attainment

The educational background of a worker often determines not only the type of job but also the level within an occupation for which a worker can qualify. However, women who work year round full time earn substantially less than fully employed men who have the same number of years of education. (See table 5.) In fact, in 1974 women with 4 years of college had lower

incomes than men who had only completed the 8th grade, and only 59 percent of the income of men with 4 years of college. Fully employed women high school graduates (no college) had less income on the average than fully employed men who had not completed elementary school; women's income was only 57 percent of that of their male counterparts.

The absolute dollar gap between men and women widens with increasing levels of educational attainment, except for 5 or more years of college. The relative income position of women (income of women as a percentage of that of men) (column 4) reverses its downward trend with the completion of high school, and begins to rise with college attendance, reaching a maximum with postgraduate education. The extent to which men's income exceeds women's is reflected in the relative income differentials (column 5) which reach a minimum with 5 or more years of college. The fact that the marginal return on the investments in education is greater for men than for women is confirmed by the data in columns 6 and 7 of table 5. Only among workers completing 5 years of college or more is the return from an additional educational investment greater for women.

Work Experience

In addition to differences in education as an explanation for the earnings differential between men and women, a worker's earnings are also affected by the amount of experience he or she has on the job or, in general, the average number of years a person works during his or her lifetime. Data show that the number of years a woman works more than tripled between 1900 and 1960, having increased by about one-third in the decade 1950 to 1960. (See table below.) Although the gap in worklife expectancy between men and women is still wide, it has narrowed considerably, due in large part to the increasing worklife expectancy of women and the decline in expectancy of men (since 1950).

Persons born in	Worklife expectancy (in years)		
Year	Women	Men	Gap
1900	6.3	32.1	25.8
1940	12.1	38.1	26.0
1950	15.1	41.5	26.4
1960	20.1	41.1	21.0
1970	22.9	40.1	17.2

Source: U.S. Department of Labor, Bureau of Labor Statistics.

The discontinuous pattern of the worklives of many women also adversely affects their earning potential. Women, upon reentering the labor market after a period of absence--perhaps devoted to childbearing and other family responsibilities--often experience difficulty in finding a job, particularly one which is rewarding and which utilizes past training and experience.

In view of the important effect of experience on earnings, one would expect that young men and women with the same educational background in the same occupational field would receive the same beginning salaries. Surveys of starting salaries for men and women graduating from college, however, have for many years revealed rather startling differences in "offers" between men and women. This gap has narrowed appreciably in recent years, but it is still apparent in some fields.

According to a November 1974 survey of 60 companies, the salaries expected to be offered to women who would graduate from college in June 1975 averaged only slightly less than those to be offered to men with the same college major. (See table 6.) This was a marked change from earlier years when offer salaries of women were substantially below those of men. In 1970, for example, the spread in offers between men and women ranged from deficits of $86 for women in accounting down to $18 in economics and finance. But in 1975, the range was from a $48 deficit in marketing-retailing and sales to a $26 advantage in general business. These figures, of course, do not indicate that different salaries are being offered to women and men hired by the same company for the same job, but are averages of offers by all surveyed companies planning to employ graduates in that field.

Overtime Work

Men are almost three times as likely as women to work overtime. The proportion of men who worked 41 hours or more averaged about 28 percent in May 1975; only 13 percent of women worked overtime. Of the 14 million persons who worked overtime in May 1975, about 8.2 million (58 percent) were men aged 25 to 54.

Not only is the proportion of women working overtime relatively small, but women's weekly earnings, even with premium pay included, remain low. About 2 out of 3 women who worked overtime in May 1975--but only 1 out of 5 men--earned less than $150 a week. Only 18 percent of the women, yet 57 percent of the men, earned $200 or more a week. Median overtime earnings for all men were $215 a week; they were only $138 for women (table 7).

Differentials by Race

The earnings of both minority race 3/ women and white women are substantially less than the earnings of men, either minority or white. Further, fully employed minority women continue to earn less than similarly employed white women, although the gap has narrowed in recent years.

As shown in table 8, minority women who worked the year round at full-time jobs had a median wage or salary income of $6,611 in 1974--94 percent of that of white women, 73 percent of that of minority men, and 54 percent of that of white men. In 1960 the corresponding proportions were 70, 63, and 42 percent.

3/ Includes all races other than white; Spanish-origin persons are usually included in the white population.

The earnings differential between minority men and women was considerably less than that between white men and women. White men's earnings exceeded white women's by about 76 percent; earnings of minority men were only 37 percent greater than those of minority women.

Conclusion

As societal and institutional barriers are broken, more women can be employed at the level their skill warrants and they can be afforded wider opportunities to enhance their educational and vocational skills in particular areas for which there is increasing demand. Schools must help provide much needed career guidance and counseling assistance. Employers must respond, too, by offering women greater opportunity to obtain specific on-the-job training. Organized labor must also make a concerted effort to open more skilled trades to women. As women are allowed easier access to more highly paid professional, technical, managerial, and craft occupations, only then will the earnings differential narrow.

Table 1.--Comparison of Median Earnings of Year-Round Full-Time Workers, by Sex, 1955-1974

(Persons 14 years of age and over)

Year	Median earnings: Women (1)	Median earnings: Men (2)	Earnings gap in dollars (3)	Women's earnings as a percent of men's (4)	Percent men's earnings exceeded women's (5)	Earnings gap in constant 1967 dollars (6)
1974	$6,772	$11,835	$5,063	57.2	74.8	$3,433
1973	6,335	11,186	4,851	56.6	76.6	3,649
1972	5,903	10,202	4,299	57.9	72.8	3,435
1971	5,593	9,399	3,806	59.5	68.0	3,136
1970	5,323	8,966	3,643	59.4	68.4	3,133
1969	4,977	8,227	3,250	60.5	65.3	2,961
1968	4,457	7,664	3,207	58.2	72.0	3,079
1967	4,150	7,182	3,032	57.8	73.1	3,032
1966	3,973	6,848	2,875	58.0	72.4	2,958
1965	3,823	6,375	2,552	60.0	66.8	2,700
1964	3,690	6,195	2,505	59.6	67.9	2,696
1963	3,561	5,978	2,417	59.6	67.9	2,637
1962	3,446	5,974	2,528	59.5	73.4	2,790
1961	3,351	5,644	2,293	59.4	68.4	2,559
1960	3,293	5,417	2,124	60.8	64.5	2,394
1959	3,193	5,209	2,016	61.3	63.1	2,308
1958	3,102	4,927	1,825	63.0	58.8	2,108
1957	3,008	4,713	1,705	63.8	56.7	2,023
1956	2,827	4,466	1,639	63.3	58.0	2,014
1955	2,719	4,252	1,533	63.9	56.4	1,911

Notes: For 1967-1974, data include wage and salary income and earnings from self-employment; for 1955-66, data include wage and salary income only.

Column 3 = column 2 minus column 1.
Column 4 = column 1 divided by column 2.
Column 5 = column 2 minus column 1, divided by column 1.
Column 6 = column 3 times the purchasing power of the consumer dollar (1967 = $1.00).

Source: U.S. Department of Commerce, Bureau of the Census: "Money Income of Families and Persons in the United States," Current Population Reports, 1957 to 1975. U.S. Department of Labor, Bureau of Labor Statistics: Handbook of Labor Statistics, 1975.

Table 2.--Earnings Distribution of Year-Round Full-Time Workers, by Sex, 1974

(Persons 14 years of age and over)

Earnings group	Number (In thousands)		Distribution		Likelihood of a woman rather than a man to be in each earnings group	Women as percent of all earners	Cumulative distribution	
	Women (1)	Men (2)	Women (3)	Men (4)	(5)	(6)	Women (7)	Men (8)
Number and distribution	17,977	38,898	100.0	100.0	1.0	31.6		
Less than $3,000	1,510	1,789	8.4	4.6	1.8	45.8	8.4	4.6
$3,000 to $4,999	3,164	1,828	17.6	4.7	3.7	63.4	26.0	9.3
$5,000 to $6,999	4,854	3,501	27.0	9.0	3.0	58.1	53.0	18.3
$7,000 to $9,999	5,177	7,546	28.8	19.4	1.5	40.7	81.8	37.7
$10,000 to $14,999	2,643	12,953	14.7	33.3	.4	16.9	96.5	71.0
$15,000 and over	629	11,242	3.5	28.9	.1	5.3	100.0	100.0

Notes: Individual items may not add to totals because of rounding.
Column 5 = column 3 divided by column 4.
Column 6 = column 1 divided by the sums of columns 1 and 2, times 100.

Source: U.S. Department of Commerce, Bureau of the Census: Current Population Reports, P-60, No. 101.

Table 3.--Total Money Earnings of Civilian Year-Round Full-Time Workers, by Occupation Group and Sex, 1974

(Persons 14 years of age and over)

Occupation group	Women	Men	Dollar gap	Women's earnings as a percent of men's	Percent men's earnings exceeded women's
Total	$6,772	$11,835	$5,063	57.2	74.8
Professional, technical, and kindred workers	9,570	14,873	5,303	64.3	55.4
Managers and administrators	8,603	15,425	6,822	55.8	79.3
Sales workers, total	5,168	12,523	7,355	41.3	142.3
Retail trade	4,734	9,125	4,391	51.9	92.8
Other sales workers	8,452	13,983	5,531	60.4	65.4
Clerical workers	6,827	11,514	4,687	59.3	68.7
Craft and kindred workers	6,492	12,028	5,536	54.0	85.3
Operatives (including transport)	5,766	10,176	4,410	56.7	76.5
Service workers (except private household)	5,046	8,638	3,592	58.4	71.2
Farmers and farm managers	(1/)	5,459	--	--	--
Farm laborers and supervisors	(1/)	5,097	--	--	--
Nonfarm laborers	5,891	8,145	2,254	72.3	38.3
Private household workers	2,676	(1/)	--	--	--

1/ Base less than 75,000.

Source: U.S. Department of Commerce, Bureau of the Census: Current Population Reports, P-60, No. 101.

Table 4.--Median Salaries of Full-Time Employed Civilian Scientists, by Sex and Field, 1970

Field	Median salary		Percent men's salary exceeded women's
	Women	Men	
All fields	$11,600	$15,200	31.0
Chemistry	10,500	15,600	48.6
Earth and marine sciences	10,500	15,000	42.9
Atmospheric and space sciences	13,000	15,200	16.9
Physics	12,000	16,000	33.3
Mathematics	10,000	15,000	50.0
Computer sciences	13,200	16,900	28.0
Agricultural sciences	9,400	12,800	36.2
Biological sciences	11,000	15,500	40.9
Psychology	13,000	15,500	19.2
Statistics	14,000	17,100	22.1
Economics	13,400	16,500	23.1
Sociology	11,000	13,500	22.7
Anthropology	12,300	15,000	22.0
Political sciences	11,000	13,500	22.7
Linguistics	11,300	13,000	15.0

Source: National Science Foundation.

Table 5.--Comparison of Median Income of Year-Round Full-Time Workers, by Educational Attainment and Sex, 1974

(Persons 25 years of age and over)

Years of school completed	Median income		Income gap in dollars	Women's income as a percent of men's	Percent men's income exceeded women's	Marginal dollar value of increased educational attainment	
	Women (1)	Men (2)	(3)	(4)	(5)	Women (6)	Men (7)
Elementary school							
Less than 8 years	$5,022	$7,912	$2,890	63.5	57.5	--	--
8 years	5,606	9,891	4,285	56.7	76.4	$584	$1,979
High school							
1 to 3 years	5,919	11,225	5,306	52.7	89.6	313	1,334
4 years	7,150	12,642	5,492	56.6	76.8	1,231	1,417
College							
1 to 3 years	8,072	13,718	5,646	58.8	69.9	922	1,076
4 years	9,523	16,240	6,717	58.6	70.5	1,451	2,522
5 years or more	11,790	18,214	6,424	64.7	54.5	2,267	1,974

Notes: Column 3 = column 2 minus column 1.
Column 4 = column 1 divided by column 2.
Column 5 = column 2 minus column 1, divided by column 1.
Columns 6 and 7 = absolute (median) dollar difference between successive years of school completed.

Source: U.S. Department of Commerce, Bureau of the Census: Current Population Reports, P-60, No. 101.

Table 6.--Average Monthly Starting Salaries for June 1975 College Graduates, by Sex and Selected Field

Field	Women	Field	Men
Accounting	$986	Accounting	$990
Engineering	1,075	Engineering	1,062
Liberal arts	784	Liberal arts	776
Marketing-retailing	814	Sales-marketing	862
General business	840	Business administration	814
Science	950	Chemistry	992
Data processing-math	885	Math-statistics	915

Source: Endicott, Frank S., "Trends in Employment of College and University Graduates in Business and Industry, 1975," 29th Annual Report, Northwestern University, 1974.

Table 7.--Weekly Earnings of Overtime Workers Receiving Premium Pay, by Sex, May 1975

(Numbers in thousands)

	Total		Women		Men	
Earnings	Number	Percent distribution	Number	Percent distribution	Number	Percent distribution
Total	5,090	100.0	1,020	100.0	4,070	100.0
Median earnings	$198		$138		$215	
Less than $100	352	6.9	222	21.8	130	3.2
$100 to $149	1,010	19.8	363	35.6	647	15.9
$150 to $199	1,221	24.0	255	25.0	966	23.7
$200 to $299	1,769	34.8	157	15.4	1,611	39.6
$300 to $399	513	10.1	19	1.9	494	12.1
$400 or more	225	4.4	4	.3	221	5.4

Source: Bureau of Labor Statistics: Unpublished data.

Table 8.--Median Wage or Salary Income of Year-Round Full-Time Workers, by Race and Sex, 1974

(Persons 14 years of age and over)

Race	Women	Men	Dollar gap	Women's earnings as a percent of men's	Percent men's earnings exceeded women's
Total	$6,967	$12,072	$5,105	57.7	73.3
Minority	6,611	9,082	2,471	72.8	37.4
White	7,025	12,343	5,318	56.9	75.7

Source: U.S. Department of Commerce, Bureau of the Census: "Money Income in 1974 of Families and Persons in the United States," 1976.